

Message Text

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ACTION EUR-12

INFO OCT-02 ISO-00 IO-13 EB-08 COME-00 FRB-03 OES-07

OMB-01 DOE-11 SOE-02 CIAE-00 PM-05 INR-07 L-03

ACDA-12 NSAE-00 PA-01 SS-15 PRS-01 SP-02 USIA-06

TRSE-00 NSC-05 DODE-00 /115 W

-----013297 252226Z /41

R 251818Z JAN 78

FM USMISSION USNATO

TO SECSTATE WASHDC 8937

INFO AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 01 OF 02 USNATO 00825

E.O. 11652: XGDS-1

TAGS: ENRG, XH, NATO, EALR

SUBJECT: ECONADS: UK COMMENTS ON COMECON ENERGY REPORT

REF: (A) USNATO 367; (B) USNATO 759;

(C) AC/127-WP/551

SUMMARY: THIS MESSAGE TRANSMITS UK COMMENTS ON REF C, AN ECONOMIC DIRECTORATE REPORT ON SOVIET/EE ENERGY DEVELOPMENTS. ACTION REQUESTED: GUIDANCE IN TIME FOR FEB 2 ECONADS MEETING. END SUMMARY.

1. AS NOTED REF A, THE ECONOMIC DIRECTORATE REPORT (REF C) "ENERGY IN COMECON: PROBLEMS AND PROSPECTS, 1977-1990", WILL BE ON THE ECONADS MEETING AGENDA FEBRUARY 2. AS OF POSSIBLE ASSISTANCE IN FORMULATION OF US EXPERT COMMENTS WE QUOTE BELOW UK (DEI) COMMENTS ON THE SUMMARY PORTION OF THAT REPORT DEALING WITH THE USSR. THE BALANCE (ON THE EE SUMMARY PORTION AND THE MAIN REPORT AND STATISTICAL ANNEX) IS BEING POUCHED TO OER.

2. THE QUOTED PORTION MENTIONS A DEI PAPER, "POSSIBLE
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SOVIET INFLUENCE ON WORLD ENERGY MARKETS," WHICH WE ASSUME IS ALREADY AVAILABLE TO OER. IF NOT, PLEASE NOTIFY US AND WE WILL REPRODUCE AND POUCH COPIES: IT'S LENGTH PRECLUDES CABLING.

3. BEGIN EXTRACT OF UK COMMENTS:

PAGE 2: PARA 3, LINE 5

OUR ESTIMATE IS THAT OIL PRODUCTION WILL REMAIN ROUGHLY
CONSTANT IN 1980-85 PERIOD ALTHOUGH A SLIGHT RISE OF
SOME 1 PA IS POSSIBLE.

PAGE 2: PARA 4, LINE 2

THE FIGURE OF 70-90 M TONS QUOTED IS THE TOTAL EXPECTED
TO BE MADE AVAILABLE TO THE NON-COMMUNIST WORLD. EXPORTS
TO OECD COUNTRIES IN 1980 ARE FORECAST AT 65-85M TONS,
IE 4.3-5.7 OF OECD NET OIL IMPORTS. (SEE POSSIBLE
SOVIET INFLUENCE ON WORLD ENERGY MARKETS. UK
DELEGATION NOVEMBER 1977).

PAGE 3: PARA 6, LINE 3

WE FEEL THAT OUTPUT IN 1980 WILL BE NEARER 620 THAN
640 M TONS, AND MAY EVEN FALL SLIGHTLY SHORT OF THIS
FIGURE.

IT IS POSSIBLE THAT IN THE ABSENCE OF THE PROMPT DISCOVE-
RY AND DEVELOPMENT OF MAJOR NEW OIL
FIELDS SOVIET OIL OUTPUT MAY BEGIN TO FALL AFTER 1985
AND THAT THE USSR MIGHT ITSELF BECOME A NET OIL
IMPORTER BY 1990.
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PAGE 3: PARA 7, LINE 2

WE HAVE SEEN NO FIGURE FOR FINAL 1977 OIL OUTPUT.
THE 1978 PLAN PREDICTS OUTPUT OF 575 M TONS, AN
INDICATION OF SOVIET AWARENESS OF FALLING GROWTH
RATES. IF THIS TREND CONTINUES 1980 OUTPUT WILL BE CLO-
SER TO 620 M TONS THAN PLAN TARGETS OF 640 M TONS.

PAGE 3: PARA 9, LINE 5

ACCORDING TO THE ANNUAL PLAN FOR 1978, GAS OUTPUT SHOULD
REACH 370 BILLION CUBIC METERS, RATHER MORE THAN
IS NECESSARY TO MEET THE PROVISIONS OF THE 5 YEAR
PLAN.

PAGE 4: PARA 11, LINE 5

IN THE FIRST 11 MONTHS OF 1977 COAL OUTPUT TOTALLED
ONLY 660 M TONS A RISE OF ONLY 2 ON THE FIGURE FOR 1976,
RATHER THAN THE 2.9 PLANNED. THE ANNUAL PLAN FOR 1978
FORECASTS A COAL OUTPUT OF ONLY 746 M TONS AND IT

APPEARS THAT THE 1980 PLAN TARGET OF 805 M TONS MAY
BE IN DOUBT.

PAGE 4: PARA 12, LINES 3 AND 4

1977 PLAN OUTPUT 1160 BILLION KWH, 1978 PLAN 1207 BILLION
ASSUMED GROWTH RATE 4.1

PAGE 5: PARA 14, LINE 1

SHOULD READ EASTERN EUROPE CMEA (IE EXCLUDES YUGOSLAVIA)

PAGE 6: PARA 15, LINE 7

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C O N F I D E N T I A L SECTION 02 OF 02 USNATO 00825

WE ESTIMATE THAT UNDER EXISTING CONTRACTS 1980
EXPORTS TO WEST (GROSS) WILL TOTAL SOME 27.5
BILLION CUBIC METERS.

END TEXT.

4. ACTION REQUESTED: GUIDANCE ON REF C IN TIME
FOR FEB 2 ECONADS MEETING. CONCURRENTLY, WE WOULD
APPRECIATE COMMENT ON THE SIMILAR ISSUES RAISED IN
REPLACEMENT PARAS 7 AND 8 OF THE CORRIGENDUM
TO AC/127-WP/548 (POUCHED RPE AND MOSCOW)
DEALING WITH THE IMPACT OF ENERGY RESOURCE STRINGENCIES
ON SOVIET ECONOMIC GROWTH PROSPECTS. (PARA 7 WORDING
CAME FROM THE UK AND PARA 8 FROM THE FRG ECONADS).
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